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**Landlords Handbook**

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**INTRODUCTION**

Regency Estates has more than 30 years experience in residential & commercial property lettings. Our wide ranging experience in all aspects of letting both furnished and unfurnished accommodation ensures that at all times you receive the very best advice. Regency Estates is proud to be able to offer a professional personal service.

#### Letting your property is not just putting a tenant in the property at the earliest opportunity. More importantly we feel there is a need to focus on good quality tenants who are going to look after your property, pay rent when due and when the tenancy finishes hand back your property in good order, for us this is the most important part of managing your property and forms the core of our service.

Our comprehensive service gives you total peace of mind. We will do everything for you, from finding a tenant, getting quotes and managing the repairs, to taking back possession at the end of the tenancy. So why have the hassle and the worry of managing your own property when Regency Estates can do it for you and make your life easier.

### WHAT DO I DO FIRST?

You will need a valuation & market appraisal. A member of our management team will visit your property and provide a **free of charge** assessment of its value. Our management team will advise you on current market conditions in your area and indeed the likely rent it will achieve. You will be able to ask as many questions as you wish about renting and property management, our representative will be only too happy to help you.

### FINDING A SUITABLE TENANT

Regency Estates will market your property in the following ways until a tenant is found.

* Rightmove
* Zoopla
* Onthemarket
* Regency Estates Web Site
* **TO LET** board outside the property
* LED Display in our office window
* Social Media

Rightmove is the largest property portal in the UK market. It receives thousands of visits every day and is the most effective tool for letting your property quickly. Also any enquiry from Rightmove or any other avenue is matched with other similar properties available on our books. Once we have found a tenant we ensure that appropriate references are checked and affordability is always checked, we always look to have the added backup of a guarantor (who owns their own property) in case of arrears.

## WHAT WE OFFER…

### FULLY MANAGED

If you haven’t the time or the experience to manage your property, Regency Estates have the experience to take care of it for you and we provide a comprehensive FULLY MANAGED package. We will give you a **FREE** market appraisal and once you’ve signed our Landlord’s terms we will produce a full color brochure with professional photographs to show the property off to its best potential. Upload it to all the major web portals as well as our own web site. Erect a TO LET board, advertise the property with photo’s prominently in our state of the art light-pocket display windows.

We will accompany all viewings, negotiating the best possible rent. Once an application has been taken we will carry out thorough reference and affordability checks, we will also obtain a home owner’s guarantee for additional security towards the rental payments. When the tenant is ready to move in we will produce all the necessary paperwork and

carry out a pre-check-in inspection.

Once we have cleared funds on the rent we will forward it to you usually within 3 days with a remittance. After 3 months we carry out a mid-term inspection to confirm the tenant is looking after your property correctly. If this is so,

we schedule the next inspection for 6 months. If we deem it necessary we will carry out a further inspection after another 3 months making sure the property is being looked after. We continually report to you at every stage of the process so that you are kept informed of what is happening.

Should the tenant have any problems or repairs are needed we have a dedicated maintenance team that looks after all repairs and maintenance. Throughout the tenancy we keep you, the landlord, informed throughout so you know exactly what is happening with your property, including when we find a tenant, notification of all payments, mid-term inspections & tenants giving notice.

Before we carry out any repairs or maintenance we always seek your authorisation unless it is an absolute emergency and if we cannot reach you we would carry out only the necessary repairs.

When a tenant gives their notice they are given instructions of “how to leave the property”. We always meet the tenant at the property and produce a check-out inspection report. Together with the check-in report this enables us to compare the condition of the property at the tenancy start date and the tenancy end date. We are then in the perfect position to claim any justifiable repairs from the bond.

It must be remembered, there is always an element of wear & tear allowable within the property during the tenancy. Walls may be slightly scuffed; carpets and any furniture will be slightly more worn, this is allowable and cannot be deducted from the bond. Also it should be understood that a tenant only has to leave the property as clean as the average person and not necessarily as a professional cleaner would leave it. After every tenancy it may therefore require a slight clean which the landlord has to pay for. But with our comprehensive check-in and check-out reports we are in the best position to contest any unnecessary repairs, mistreatment of the property and any cleanliness issues.

Whichever option you decide to go with we must stress that it is much more important to find a good tenant however long it takes. Taking the first applicant just to let a property quickly may make you financially worse off in the long run. A bad tenant may end up in arrears and may have caused a lot of damage to the property. Our many years of experience and rigorous referencing helps to minimise the risk of bad tenants. Clearly there are no guarantees with any tenant but the risks are greatly decreased by following our tried and tested procedures.

### ADVERTISE ONLY

Many experienced landlords wish to fully manage their property themselves. If this is the case Regency Estates offer an ADVERTISE ONLY option. Regency Estates will provide all the marketing; TO LET board, Rightmove & Zoopla property portals, professional photographs & property brochure. We field all calls from potential applicants as we receive the enquiry we pass details to you to arrange viewings with the applicant. When you have chosen a tenant you would then arrange your own referencing, draw up the tenancy, and move your tenants in. The responsibility lies completely with you.

If you wish to take advantage of this service our fee is £270.00 Inc. VAT. We require a copy of your EPC, signed terms and payment in full, before we commence marketing.

### LET ONLY

You may wish to handle the day-to-day management of your property yourself but not have the time to advertise, carry out viewings, deal with the referencing, prepare the tenancy and carry out the check-in. If this is the case Regency Estates offer a LET ONLY option, Regency Estates will provide all the marketing as with the Advertise only option but in addition we will conduct all the viewings. Once a Tenant is found, we thoroughly complete all the referencing and affordability checks, prepare the tenancy agreement, produce the pre tenancy check-in report and move the tenant into the property. All the paperwork will then be passed over to you, to carry on managing the property yourself. Our charge for this is HALF OF FIRST MONTH RENT \* minimum fee of £595 + VAT (£714 INC VAT)

 The deposit would be transferred to you and it would be your responsibility to place the deposit with an approved deposit scheme.

## LETTING YOUR PROPERTY

### THE TENANCY AGREEMENT

Most properties are let on Assured Shorthold Tenancies, which can be for periods of 6 months or more. The agreement is the most appropriate type for short lettings and the most secure. Its key feature is that during what is known as the fixed term neither the landlord nor the tenant can bring the tenancy to an end without mutual agreement.

Thus tenants must pay the rent to the end of the tenancy whether they remain at the property or not and thereby give the landlord security of payment for the fixed term. Similarly landlords may not gain possession of the property unless a condition of the tenancy has been breached or the tenancy term has expired.

Landlords must give two month’s notice to terminate a tenancy (earliest date for issuing the notice is any date after the fourth month of a six month tenancy) and tenants one month’s notice (earliest date of issue must be month five of a six month tenancy and from the rent due date) both must be in writing.

After the ‘fixed term’ the tenancy agreement automatically becomes a Periodic Shorthold Tenancy continuing on a rolling monthly basis. Notice to terminate being allowed by either party giving the correct notice periods, 2 months for a landlord and 1 month for a tenant.

### RENTS

Regency Estates collect rents monthly from tenants, on the anniversary of the tenancy start date. It can arrive in several different ways, however as soon as we have cleared funds in our account these will be forwarded to you without delay. Our own commission and any costs that have been incurred are deducted from your rent before payment to you. A remittance with all the details will be sent to your email address at the same time the payment is made.

### RENT ARREARS

Unpaid rents are treated with the highest degree of importance. When a rent is overdue tenants are contacted by phone, text and email, if contact is not made, the arrears not cleared or a payment structure agreed, after 5 days a second email is sent, if there is still no response from the tenant we make contact with the guarantor. In the majority of cases the tenant then usually pays. If not we then contact the landlord for instructions of how they wish to proceed, either the issuing of sections to gain possession of the property, further letters, or instruction of solicitors. If the tenant is 2 months or more in arrears a section 8 may be issued, this gives the landlord the right of possession after 2 weeks. A section 21 may be issued (only after the fourth month of a six month tenancy); this gives the tenant 2 month’s notice that the landlord wants to regain possession of the property. In both instances if the tenant refuses to vacate the property, the landlord may need to go to court to gain possession of the property. In the case of a section 21 the landlord must go to court separately to claim the arrears. The charge to the landlord for issuing sections will be £300 Inc. VAT.

When a tenant is taken to the County Court to recover possession/arrears the court fees may also be recovered but these must be initially paid by the landlord.

**SUMMARY OF CHARGES**

**(Please tick your option below)**

### Fully Managed

### 8% + VAT (9.6% INC VAT) With a Finder’s Fee of HALF OF FIRST MONTH RENT with a minimum fee of £395 + VAT (£474 INC VAT)

###  Finder’s fee is payable each time a tenant is found.

### 12% + VAT (14.4% INC VAT) with NO FINDER’S FEE

*Please note management fees do not include any professional contractor’s costs*

*(e.g Gas Certificates, PAT Test, EPC, Electrical Safety Cert)*

### Let Only

### HALF OF FIRST MONTH RENT \* minimum fee of £595 + VAT (£714 INC VAT)

###  £125 + VAT if a check out inventory is required (£150 INC VAT)

### Advertise Only

### £225 + VAT (£270 INC VAT) with tenant referencing £300 + VAT (£360 INC VAT)

###  £125 + VAT if a check out inventory is required (£150 INC VAT)

**Please tick if you require any of the following:**

* Gas Certificate (Legal Requirement) £65.00 Inc. ☐
* Smoke Alarms (Legal Requirement) P.O.A. ☐
* Carbon Monoxide (Legal Requirement)P.O.A. ☐
* EPC (Legal Requirement) £65.00 Inc. ☐
* PAT Test (If Required) from £70.00 Inc. ☐
* Electrical Safety Certificate (Legal Requirement) ☐

### TAX PROVISIONS

### OVERSEAS LANDLORDS

Landlords intending to reside outside the UK are still liable to pay tax on the rental income. If the landlord does not hold a tax exemption certificate (FICO number) Tax must be deducted by our agency on behalf of the Inland Revenue and paid to them directly. The rate of tax deducted is currently 20% of the rent payable to you.

If you have a mortgage on the property the interest you pay may also be deducted as an expense, however you must reclaim this from the Inland Revenue.

#### N.B. If you wish rent to be paid to you gross, then a Tax Exemption Certificate must be provided to our offices in advance. The appropriate application form is available from our offices, your local tax office or from the internet.

***UNLESS A VALID EXEMPTION CERTIFICATE IS SUPPLIED TAX WILL BE DEDUCTED AT SOURCE BY OUR* AGENCY**

**UK RESIDENT LANDLORDS**

Rent received on your property will be classed as ‘Unearned Income’ by the inland revenue and you will pay tax at your personal taxation rate on the profit element of your rent i.e. All repair costs, mortgage interest, other expenses may be used to offset against your rental income and only the remaining portion will be classed as profit in most circumstances.

***Regency Estates strongly recommend taking professional advice from a qualified Chartered Accountant, as individual circumstances may vary.***

***N.B. The Inland Revenue regularly request information from all Letting Agents about the properties they manage****.*

**POINTS TO REMEMBER WHEN LETTING YOUR PROPERTY**

### CURRENT REGULATIONS GOVERNING RENTED PROPERTY

Before letting your property you must comply with current regulations, which are strictly enforced by trading standards officers. Some of the current regulations applicable to you are:

#### Gas Safety Certificate

* + **EPC required before the property is marketed**
	+ **Installation of smoke alarms on all floors**
	+ **Installation of carbon monoxide alarms**
	+ **Fire retardant furniture, must be clearly labelled (No labels, not acceptable)**
	+ **PAT Test on all portable electrical appliances**
	+ **Glass tables and furnishings (Glass furnishings must be safety glass)**
	+ **Electrical Safety Check**

**This list is NOT exhaustive, as a general rule the law requires that goods are safe when supplied**.

Please feel free to ask for more information on these matters. Failure to comply with current regulations may result in action against you for negligence by the tenant. Neither Regency Estates nor any staff members can accept any responsibility for a tenant’s loss due to your failure to comply with the regulations.

Certificates for safety must be reviewed annually*.* ***A heavy fine, imprisonment or both may be imposed by the trading standards office for failure to comply.***

If your property contains **any** gas appliances including central heating you **MUST** obtain a **gas safety certificate** from a qualified contractor and a copy must be supplied to Regency Estates before a tenancy begins. The ‘safety certificate’ **must** be renewed every 12 months to avoid potential prosecution. Regency Estates will be happy to arrange this on your behalf or supply details of local contractors who will complete these reports for you at minimal cost, on request.

All gas contractors must be **GAS SAFE** registered and have **ACOP** (Approval Code Of Practice) qualifications for the testing of all types of appliance.

**ACOP Qualifications Required By Your Contractor Are;**

Safety legislation & basic safety Combustion and it’s control

Flues & ventilation Pressure & flow

Domestic gas pipework Electricity and it’s control

Control System Essential Electric’s

Wet central heating Warm air heating

Cookers Space heaters

Water heaters Maintenance

LPG Non Domestic

Your contractor may not give a report on appliances if he is not qualified to inspect and any such report will not be recognised by ‘The Health & Safety Executive’. All qualified contractors carry ACOP’s identity cards which list their qualifications and a copy of this is now required with all reports provided.

If your property contains any electrical appliances they must be safe and in good order, in particular the plug must comply with current British Standards, be undamaged, correctly fitted with the appropriate size fuse and the cord must be free from cuts/breaks. None of the internal wiring must be visible along the cord or it’s connection to the plug itself. A competent qualified electrician should be able to check your appliances are correctly fitted and supply you with documentation regarding this. Regency Estates will be happy to arrange this on your behalf at a relatively low cost or will supply details on request of contractors who will complete this type of work for you. Your general wiring must also be safe, it is not currently a requirement for the property to have an electrical safety check but it is strongly recommend you have one. If a tenant is injured due to an electrical fault the landlord may be liable.

* + The Electrical Equipment (Safety) Regulations 1994
	+ Maximum penalty for non-compliance is a fine of £5000 and six months imprisonment enforcement is by the local trading standards office (TSO)

### Electrical Safety Checks

The Government has introduced The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 meaning landlords must ensure every fixed electrical installation is inspected and tested at least every five years by a qualified person.

There is a 2-stage implementation for the Electrical Installation Condition Report (EICR):

1st July 2020 – After this date any new tenancies must have an Electrical Safety Certificate
1st April 2021 – After this date all tenancies must have an Electrical Safety Certificate, even if the tenancy has not renewed.

 The certificate will need to be renewed every 5 years mid tenancy in the future.

Very few landlords have carried out electric safety inspections over the years, even though it was always advised, consequently most properties may need some improvements. Even quite modern properties, whilst their consumer units may be adequate. Items such as bathroom lighting may result in a fail, due to stricter regulations.

 The test must be carried out by a competent and qualified electrician.

To give you some idea of costs various electrical contractors are quoting from £120.00 (Inc. VAT) for a small 1 bed apartment to £220 (Inc VAT) for a 4 bed house.

We will agree with contractors some fixed price repairs that can be carried out whilst at the property doing the inspections. This will be more cost effective than asking a contractor to return and swop a single socket. We have produced a list of fixed prices which we will provide if required.

Other Details:

* Upon request, the report must be provided to the local housing authority within 7 days.
* The private landlord must supply a copy of the last report to any new tenant before occupation, or any prospective tenant within 28 days of a request from the prospective tenant.
* The Regulations require local housing authorities to enforce the rules and they have the power to arrange remedial action.
* Proven breaches of the Regulations can result in the local housing authority imposing a financial penalty of up to £30,000.

Legislation details can be found in the link below: [**http://www.legislation.gov.uk/ukdsi/2020/9780111191934/pdfs/ukdsi\_9780111191934\_en.pdf**](http://www.legislation.gov.uk/ukdsi/2020/9780111191934/pdfs/ukdsi_9780111191934_en.pdf)

**If your property does not have a current certificate we will be able to arrange this for you.**

We strongly advise landlords to remove from their properties all glass topped tables and the like, however if these are to remain at the property the glass must comply with current British Standard specifications.

All potential foam filled furnishings (suites, beds etc.) however small **must** comply with current fire regulations and display the flame retardant safety warning.

Non-compliant furnishings must be removed prior to the tenancy starting. You should provide Regency Estates with a comprehensive inventory of the items to be left at the property during the tenancy. This inventory will be attached to the tenancy when signed be the tenant and will be referred to before the tenants bond is returned and should where appropriate include notes on the condition of particular items.

Should you opt to provide your own certificates these must be with us **5 days prior to a tenancy starting** In the event of no certificates having been received Regency Estates will complete the appropriate certificate at your cost without notice.

### SERVICES TO THE PROPERTY

All meters for the supply of utilities (Gas, Water, Electric) should be read immediately prior to the tenancy starting and details sent to the appropriate service provider asking for your account to be finalised to the date of the tenancy starting and the account forwarded to your new address or agents address. You should also advise the provider that the property is about to be re-occupied by the tenant. By doing this any bills run up by the tenants will remain their sole responsibility and not pose a future problem for you or indeed any future tenant at the property.

You should not turn off any supplies since this may make viewings difficult and the testing of appliances impossible. Card meters must be left in credit for the same reason.

### LANDLORDS LETTING THEIR OWN PROPERTY OR A NEW PROPERTY

**Re-direct** your mail to your new address. In our experience this measure is never fool proof and we recommend leaving 6 large stamped address envelopes to allow tenants to post on, any mail, which may arrive.

We recommend that you advise your local police station of the situation and indeed local neighbours who may need to contact either yourself or Regency Estates in the event of a problem with your property.

Remove all personal items from the loft space.

If you expect tenants to maintain your garden please ensure that you leave appropriate equipment for them to use. Since few carry these items on their travels (electrical appliances must have a circuit breaker plug for safe outdoor use and all appliances need instructions.)

If your property is mortgaged to a lender then you are likely to be required to advise them in advance that you intend to let the property. If you write confirming your intentions and supply them with Regency Estates details they will usually make direct contact with us and request any documentation they may require.

### PROPERTY INSURANCE

Ensure your property is covered with building insurance, if your property is unfurnished you not may wish to have contents insurance but if it is furnished remember to also arrange contents insurance. Correspondence, as with your mortgage is best made in writing and copies kept on file. Regency Estates offer specific policies for landlords at discounted rates and application forms are available from our offices on request.

Some insurance policies do not cover certain types of tenancies, company lets, housing associations and tenants on certain benefits. You should check with your insurance provider before entering into a tenancy.

### REPAIRS, MAINTENANCE AND EXPENSES

Should your property require any repairs or maintenance Regency Estates will always request authorisation from the landlord but in an emergency and this is not possible Regency Estates reserve the right to complete repairs up to a value of £500.00 + VAT without authorisation. In most cases maintenance will be referred to you for authorisation prior to work commencing.

During very cold periods whilst your property is vacant we strongly recommend draining the water systems to avoid bursts and subsequent water damage. Please ask if you require assistance from one of our recommended contractors.

Whilst a property is empty between tenancies, standing charges for utility services may be payable. As of April 1st 2016 both furnished and unfurnished properties are now liable to 100% charge of council tax. These bills can create a problem due to late payment and subsequent court costs if left unpaid. Therefore if you forward the bills to Regency Estates we will pay these on your behalf out of rent providing funds are available.

 \*We are unable to deal with your building/contents insurance company should you have a claim.